Direct Cigarette Distributor Profitability

	Full Price		Low Cost
Industry Case Cost:	$11.19		$8.49
Standard Anticipation Allowance:		(3.25%)	
Electronic Funds Transfer Allowance:		(.5%)	
Net Discount Per Carton:	$ .41		$ .31
Net cost per Carton:	$10.78		$8.18
Net Case Cost:(60 ctns.)	$646.80		$490.80

Allowances are rounded, all actual invoice costs are calculated in fractions

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Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

	Full Price	Low Price
New Jersey State Tax Per Carton/Case:	$.40/pack	$4.00/carton - $240./cs
Carton Cost Plus State Tax:	$15.19	$12.49
New Jersey State Minimum Retail:	$17.02	$12.26
Profit Per Carton:	$1.83	- $ .23

Note: Profit projections are based on full price and low cost cartons dead net cost and New Jersey state minimum delivered retail price. Low cost retail carton selling pricing would be priced above state minimum.

- Overhead operating cost includes but not limited to the following; purchase of cigarette tax stamp machine(s), personnel to recieve, stamp cigarettes ,pack cigarette orders and shipment of cigarette orders to stores.

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Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

State	Full Price Cartons	Full Price Packs	Generic Cartons	Generic Packs	Low Cost Cartons	Low Cost Packs
New Jersey	$17.02	$1.71	$14.01	$1.41	$12.26	$1.23
New York	$18.67	$1.87	$15.67	$1.57	$13.89	$1.39
New York City	$19.56	$1.96	$16.55	$1.66	$14.80	$1.49
Pennsylvania	$15.51	$1.56	$12.59	$1.26	$10.84	$1.09
Connecticut	$18.29	$1.83	$15.18	$1.52	$13.43	$1.35
Massachusetts	$18.03	$1.81	$14.77	$1.48	$12.92	$1.30

Note: State minimum retail cigarette prices effective 11/18/93

Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

Mid Price Case Vol	139
Low Price Case Vol	251
Total (12M) Case Vol	2,355

RJR Incentive Programs Year 1993	Actual Payments	Potential Payments	Unearned Payments
Winners	8,454	13,410	4,956
Electronic Funds Transf Disc (0.5%)	0	7,691 *	7,691
Cash/Anticipation Discount	51,673	51,673	0
Incentive Program Payments	15,725	15,725	0
Forsyth Tobacco Product Payments	15,786	15,786	0
Brand Specifc Promotion Payments	1,134	1,134	0
New Brand Introduction Allowance	168	168	0
New Brand Distribution Incentive	288	288	0
Hand Stamping Allowance	360	360	0
Buy X Get X Free Handling Allowance	3,287	3,287	0
Distributor Assist Payments	220	220	0
Grand Total $	97,095	109,742	12,647

(5,69) did not qual.
{Electronic/+.35%
from invoice +1.40%

* Total Dollar Volume (Net) times 0.5% discount.

RJR Volume Percentages

Full Price Case Percentage of total volume.....	83 %
Mid-price Case Percentage of total volume.....	6 %
Low-price Case Percentage of total volume.....	11 %
Low-price + Mid-price Case percentage of total volume.....	17 %
Based on a Low + Mid Price Case volume of.....	390

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Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

Cigarette Category Profitability

A&P Metro	10/6/94

CURRENT INPUT :

Cost / Price

PRICE TIER	Carton Cost	Carton Price	Pack Price
Full Price	$16.87	$17.02	$2.06
Savings	$13.06	$14.01	$1.75
Pvt Label			
Other			
Other			
Other			

Average Per Store:

# Cartons / Week	346
Inventory (Cartons)	550
Annual Ind Allownce $	$4,440
ACV $ / Week	$176,000
Estimated Pilferage %	1.50

# Stores	26

Segment Shares

% Full Price	76.0
% Savings	24.0
% Pvt Label	
% Other	
% Other	
Tot. %	100.0

Pack / Carton Ratios

	% by Pack	Ctns(by Pk)	% by Carton	Ctns(by Ctn)	Tot. %
Full Price	15.0	39	85.0	224	100.0
Savings	5.0	4	95.0	79	100.0
Pvt Label					0.0
Other					0.0
Other					0.0
Other					0.0

OUTPUT :

Profit Summary

		Avg. Year Per Store	26 Stores
Cigarette Sales $		301,118	7,829,060
Tot. Wtd. Gross Margin %		9.2%	9.2%
Tot. Gross Profit $		27,718	720,680
Industry Allowance $		4,440	115,440
Tot. Net Profit $		32,158	836,120
Est. Pilferage %		1.50%	1.50%
Adj. Net Profit $		27,642	718,684
Avg. per Carton	Profit $	1.10	1.10
	GM%	6.8%	6.8%
Avg. per Pack	Profit $	4.58	4.58
	GM%	23.2%	23.2%
Avg. Inventory (#Ctns)		550	14,300
Avg. Inventory Cost		8,358	217,297
Avg. Inventory Turns / Yr		32.7	32.7
ROI I $		$3.32	$3.32
Cigt. % Tot. Sales (ACV)		3.3%	3.3%

		Avg. Year Per Store	26 Stores
Full Price	Sales $	239,868	6,236,566
	Profit $	22,863	594,433
	GM%	9.5%	9.5%
Savings	Sales $	61,250	1,592,495
	Profit $	4,856	126,248
	GM%	7.9%	7.9%
Pvt Label	Sales $	0	0
	Profit $	0	0
	GM%	0.0%	0.0%
Other	Sales $	0	0
	Profit $	0	0
	GM%	0.0%	0.0%
Other	Sales $	0	0
	Profit $	0	0
	GM%	0.0%	0.0%
Other	Sales $	0	0
	Profit $	0	0
	GM%	0.0%	0.0%

Comments	Current profitability based on 26 stores without RJR merchandising platforms.

51846 4520

Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

Cigarette Category Profitability

A&P Metro 10/6/94

PROPOSED INPUT :

Cost / Price

PRICE TIER	Carton Cost	Carton Price	Pack Price
Full Price	$16.87	$17.02	$2.05
Savings	$13.06	$14.01	$1.75
Pvt Label			
Other			
Other			
Other			

Average Per Store:

# Cartons / Week	383
Inventory (Cartons)	550
Annual Ind Allownce $	$5,640
ACV $ / Week	$175,000
Estimated Pilferage %	1.50

# Stores	26

Segment Shares

% Full Price	76.0
% Savings	24.0
% Pvt Label	
% Other	
% Other	
% Other	
Tot. %	100.0

Pack / Carton Ratios

	% by Pack	Ctns(by Pk)	% by Carton	Ctns(by Ctn)	Tot. %
Full Price	15.0	44	85.0	247	100.0
Savings	5.0	5	95.0	87	100.0
Pvt Label					0.0
Other					0.0
Other					0.0
Other					0.0

OUTPUT :

Profit Summary

		Average Year Per Store Current	Average Year Per Store Proposed	26 Stores Current	26 Stores Proposed	Variance All Stores
Cigarette Sales $		301,118	333,318	7,829,060	8,666,272	837,212
Tot. Wtd. Gross Margin %		9.2%	9.2%	9.2%	9.2%	0.0%
Tot. Gross Profit $		27,718	30,683	720,680	797,747	77,067
Industry Allowance $		4,440	5,640	115,440	146,640	31,200
Tot. Net Profit $		32,158	36,323	836,120	944,387	108,267
Est. Pilferage %		1.50%	1.50%	1.50%	1.50%	0.00%
Adj. Net Profit $		27,642	31,323	718,684	814,393	95,709
Avg. Gross Margin %	Cartons	6.8%	6.8%	6.8%	6.8%	0.0%
	Packs	23.2%	23.2%	23.2%	23.2%	0.0%
Avg. Inventory (#Ctns)		550	550	14,300	14,300	0
Avg. Inventory Cost		8,358	8,358	217,297	217,297	0
Avg. Inventory Turns / Yr		32.7	36.2	32.7	36.2	3.5
ROI I $		$3.32	$3.67	$3.32	$3.67	$0.35
Cigt. % Tot. Sales (ACV)		3.3%	3.7%	3.3%	3.7%	0.4%
Full Price	Sales $	239,868	265,519	6,236,568	6,903,481	666,916
	Profit $	22,863	25,308	594,433	657,999	63,566
	GM%	9.5%	9.5%	9.5%	9.5%	0.0%
Savings	Sales $	61,250	67,800	1,592,495	1,762,791	170,296
	Profit $	4,856	5,375	126,248	139,748	13,500
	GM%	7.9%	7.9%	7.9%	7.9%	0.0%
Pvt Label	Sales $	0	0	0	0	0
	Profit $	0	0	0	0	0
	GM%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	Sales $	0	0	0	0	0
	Profit $	0	0	0	0	0
	GM%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	Sales $	0	0	0	0	0
	Profit $	0	0	0	0	0
	GM%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	Sales $	0	0	0	0	0
	Profit $	0	0	0	0	0
	GM%	0.0%	0.0%	0.0%	0.0%	0.0%

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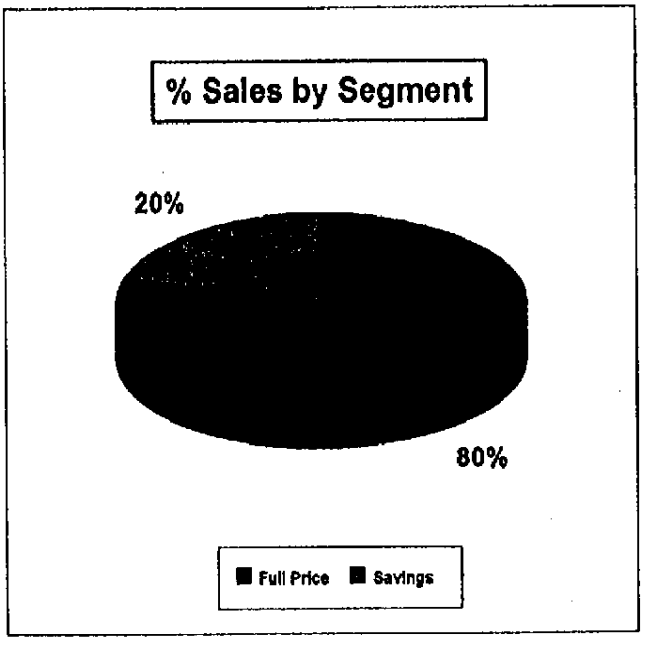
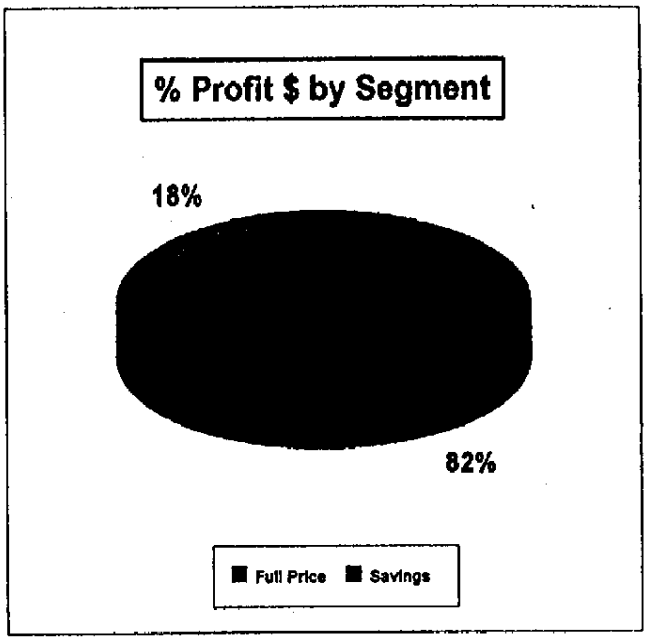
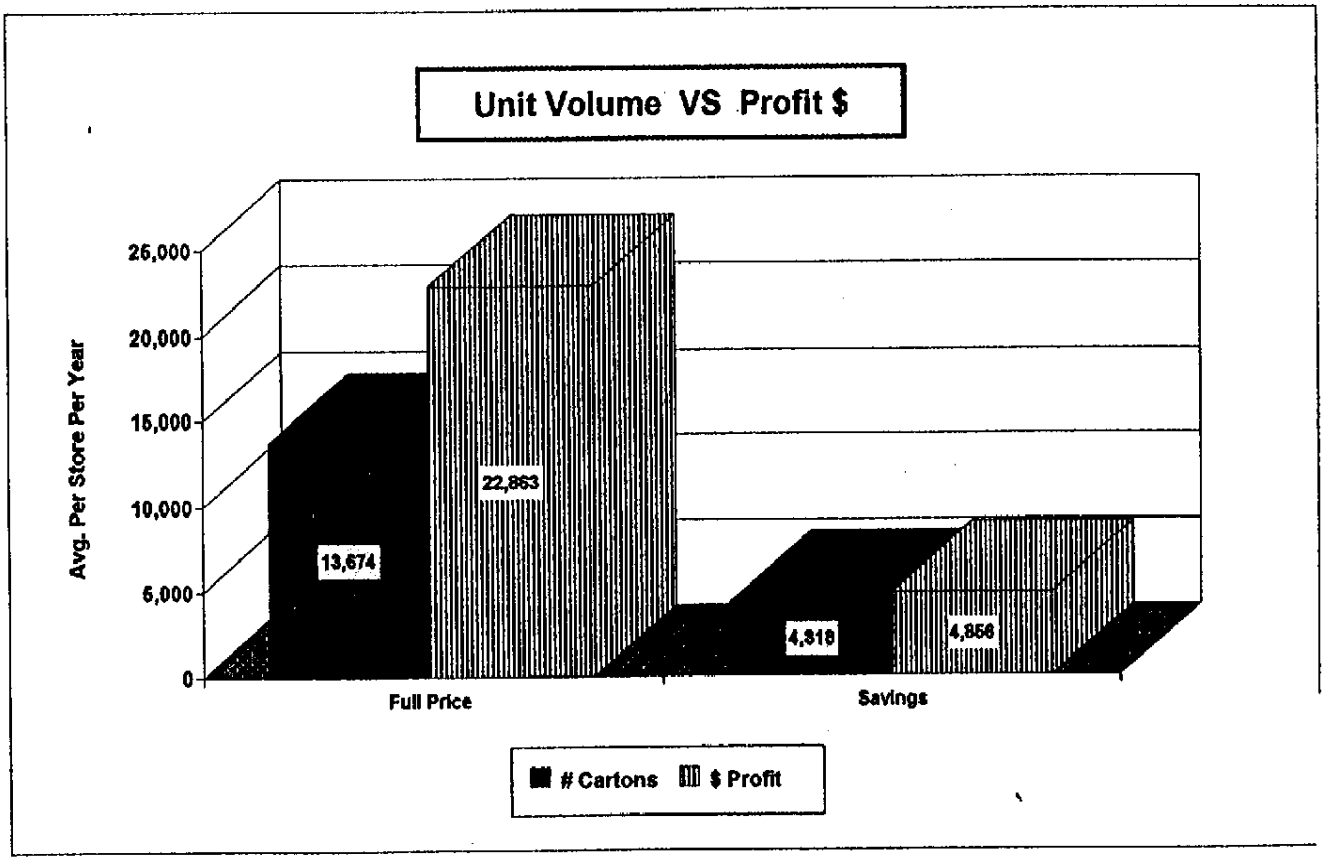
Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

Cigarette Category Profitability

A&P Metro 10/6/94







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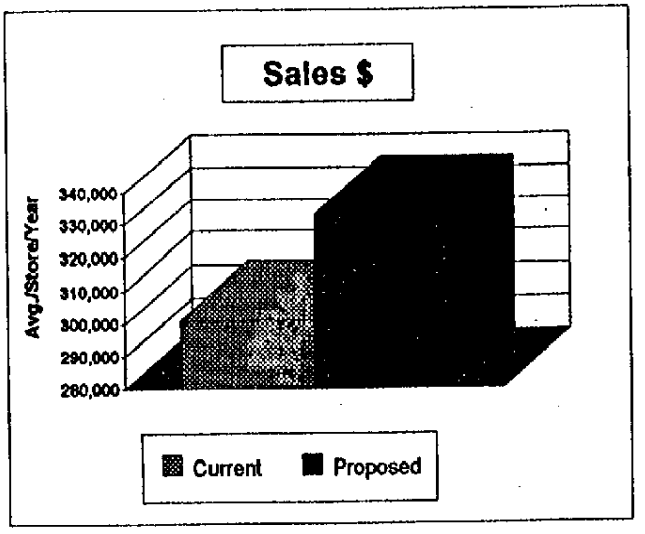
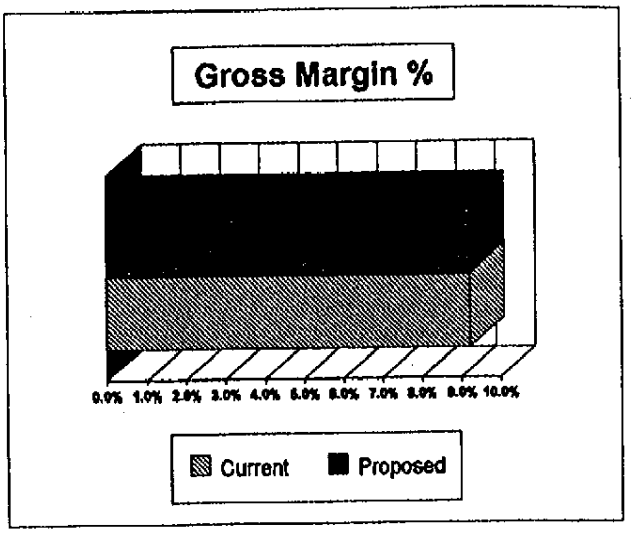
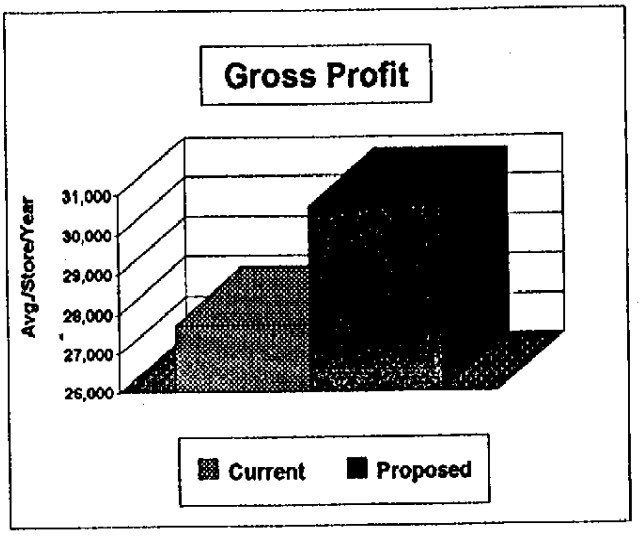
Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

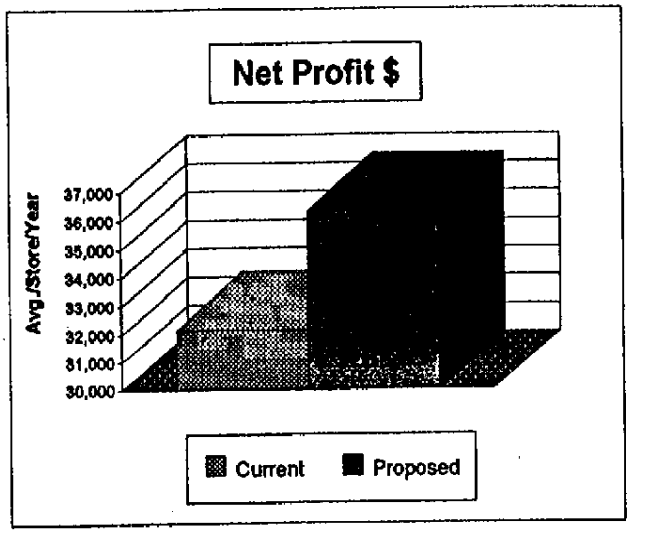
Cigarette Category Profitability

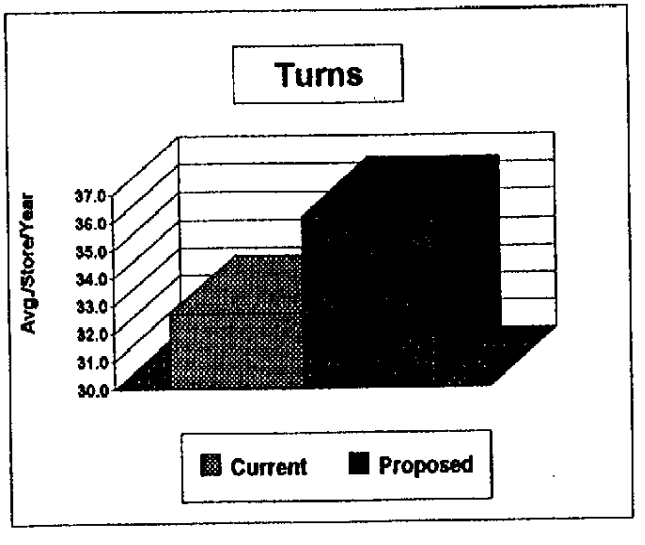
A&P Metro 10/6/94

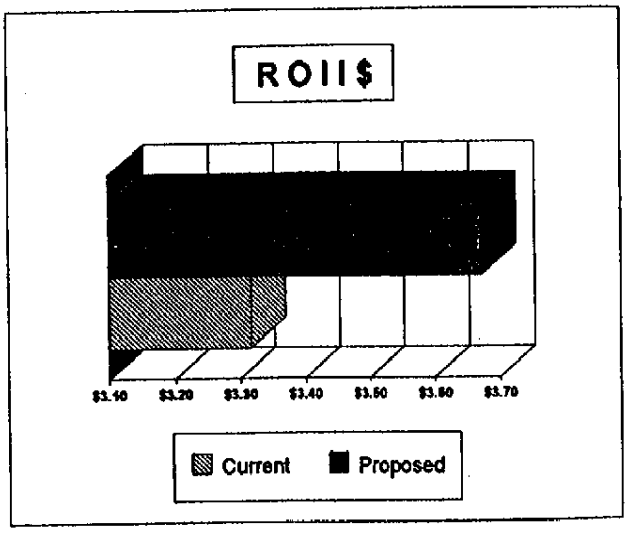












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Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

A&P Metro
Universal Pack Cigarette
Merchandising Proposal

Proposal:

- Place an R. J. Reynolds Tobacco Company exclusive custom pack and carton display in twenty (20) selected locations,(see attached list).

Display dimensions	Pack / carton Capacity
Width: ~~2~~ 2 3/23 feet -	Display topper: 108 packs
Depth: 13 inches	Overall pack capacity: 648
Height: 58 inches	Carton capacity: 48
Color: light beige	

Display Load:

- Topper display - Winston Select / Camel packs (108)
- Springfed packs - exclusive RJR brands - Camel, Winston, Salem
- Cartons - Exclusive RJR brands

Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

Promotion:

- **RJR will place $2.00 Winston Select carton coupons on all cartons, pack coupons will be placed on selected Camel brand styles.**

Payment:

(per store) monthly = $100.00 quarterly = $300.00 annually = $1,200.00

(20 stores) annually = $24,000.00

R. J. Reynolds Tobacco Company (2nd highest cigarette share of market) currently have no pack or carton merchandiser programs in A&P metro stores, our current allocation of space on existing Philip Morris pack and carton fixtures is not adequate to properly merchandise our brands. R. J. Reynolds Tobacco Company's share of market in A&P Metro is 23 - 25%, R.J.R has less than 15% of the total allocated cigarette space.

A&P Metro has lost RJR cigarette sales and contractual payments due to inadequate merchandising of our brands and minimal promotional support from RJR.

The proposed program will increase A&P Metro cigarette sales by properly merchandising RJR packs and cartons. Couponing of cigarettes will positively impact A&P's cigarette sales.

Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

Supermarket Planogram

AUTHORIZED BY:____
DATE:____

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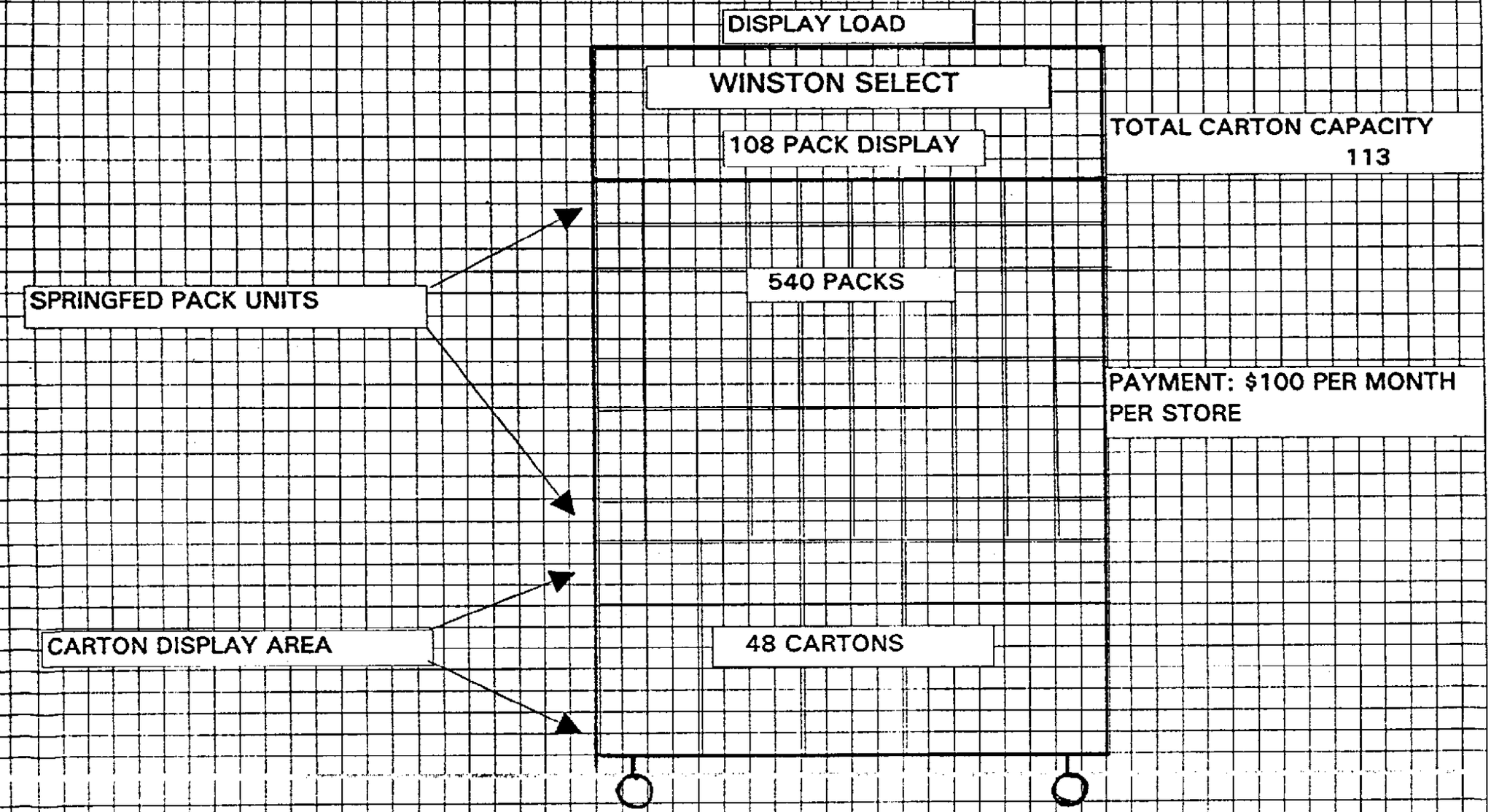
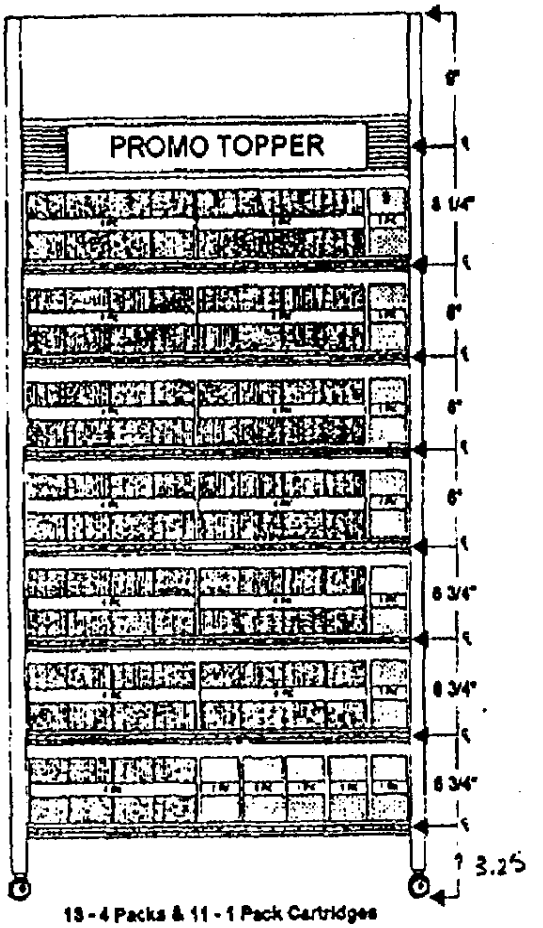
A&P PROPOSED UNIVERSAL PACK AND CARTON MERCHANDISER



Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

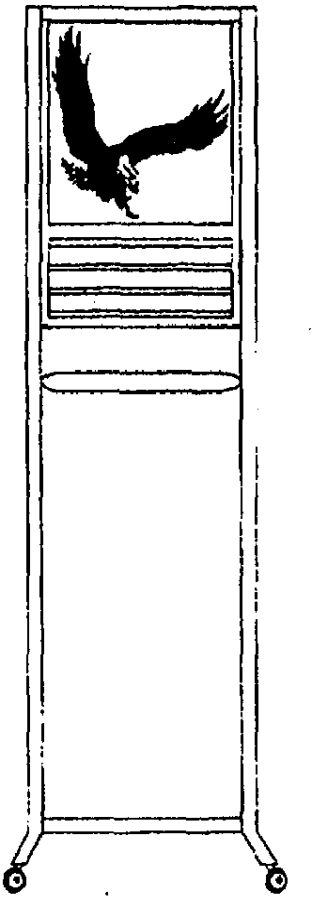
A&P Metro



13 - 4 Packs & 11 - 1 Pack Cartridges
83 Total Rows

4 Wide Cartridge

1 Wide Cartridge



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Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

A&P Metro
Weekly Volume / S.O.M

Store #	Address	RJR Avg. Wkly. Ctn. Vol.	RJR S.O.M.	Store Avg. Wkly. Vol.
631	Rt. 46, Village Green, Mt. Olive Twp., NJ	37	11.0	339
676	117 Franklin Tpke., Mahwah, NJ	56	13.2	424
639	45W. Allendale Ave., Allendale, NJ	88	13.9	632
671	80 Godwin Ave., Midland Pk., NJ	58	14.7	381
667	419 Market St., Saddle Brook, NJ	40	12.1	335
600	Van Houten Ave., Passaic, NJ	48	14.5	335
682	Rt 10 & Center St., Randolph Twp., NJ	40	10.7	374
664	199 Kinderkamack Rd., Park Ridge, NJ	58	12.4	470
801	Washington Valley Rd., Warrenville, NJ	61	14.8	416
884	Rt. 28, Middlesex, NJ	65	17.4	373
922	Rt. 206 & Amwell Rd., Hillsborough, NJ	82	17.3	474
895	105 South Ave., Fanwood, NJ	60	17.8	338
897	230 Galloping Hill Rd., Union, NJ	63	14.0	453
656	Holmdel-Town Ctr., Holmdel, NJ	43	13.2	331
909	Washington Valley Rd., Pluckemin, NJ	56	16.7	337
663	396 Demarest Ave., Closter, NJ	39	11.8	333
754	Ratzer Rd. & Rt. 23, Wayne, NJ	48	14.5	331
751	375 Paterson Ave., Wallington, NJ	41	10.7	385
888	116 Rt. 36, Middletown, NJ	45	13.2	342
806	Rt. 513, Califon, NJ	66	16.1	411

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Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

A&P Metro
Weekly Volume / S.O.M

Store #	Address	RJR Avg. Wkly. Ctn. Vol.	RJR S.O.M.	Store Avg. Wkly. Vol.
631	Rt. 46, Village Green, Mt. Olive Twp., NJ	37	11.0	339
676	117 Franklin Tpke., Mahwah, NJ	56	13.2	424
639	45W. Allendale Ave., Allendale, NJ	88	13.9	632
671	80 Godwin Ave., Midland Pk., NJ	56	14.7	381
674	937 Lincoln Ave., Glen Rock, NJ	40	15.4	265
667	419 Market St., Saddle Brook, NJ	40	12.1	335
600	Van Houten Ave., Passaic, NJ	48	14.5	335
607	289 Bergen Ave., Fairview, NJ	46	15.2	303
682	Rt 10 & Center St., Randolph Twp., NJ	40	10.7	374
648	125 Main St., Denville, NJ	41	13.7	302
664	199 Kinderkamack Rd., Park Ridge, NJ	58	12.4	470
624	654 Westwood Ave., Rivervale, NJ	22	10.0	216
403	27 6th St., Frenchtown, NJ	39	17.8	220
657	22 Main St., Madison, NJ	29	12.8	228
801	Washington Valley Rd., Warrenville, NJ	61	14.8	416
884	Rt. 28, Middlesex, NJ	65	17.4	373
870	619 E. Main St., Bridgewater, NJ	48	15.7	307
922	Rt. 206 & Amwell Rd., Hillsborough, NJ	82	17.3	474
895	105 South Ave., Fanwood, NJ	60	17.8	338
627	1060 Raritan Rd., Clark, NJ	49	16.8	293
897	230 Galloping Hill Rd., Union, NJ	63	14.0	453
656	Holmdel-Town Ctr., Holmdel, NJ	43	13.2	331
828	2328 Plainfield Ave., So. Plainfield, NJ	36	17.7	205
909	Washington Valley Rd., Pluckemin, NJ	56	16.7	337
663	396 Demarest Ave., Closter, NJ	39	11.8	333
696	830 River Rd., New Milford, NJ	30	10.6	306

51846 4529

Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

Store #	Address	RJR Avg. Wkly. Ctn. Vol.	RJR S.O.M.	Store Avg. Wkly. Vol.
646	2180 Lemoine Ave., Fort Lee, NJ	37	11.7	316
687	110-112 Washington St., Morristown, NJ	31	12.0	261
753	14 Main Ave., Clifton, NJ	47	16.4	286
755	430 Greenwood Ave., Wyckoff, NJ	35	13.1	269
754	Ratzer Rd. & Rt. 23, Wayne, NJ	48	14.5	331
751	375 Paterson Ave., Wallington, NJ	41	10.7	385
752	19 Belleville Ave., Bloomfield, NJ	36	13.8	261
888	116 Rt. 36, Middletown, NJ	45	13.2	342
935	Rt. 22 & 513, Whitehouse, NJ	36	15.5	230
806	Rt. 513, Califon, NJ	66	16.1	411

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Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

A&P Metro
Weekly Volume / S.O.M

Store #	Address	RJR Avg. Wkly. Ctn. Vol.	RJR S.O.M.	Store Avg. Wkly. Vol.
631	Rt. 46, Village Green, Mt. Olive Twp., NJ	37	11.0	339
676	117 Franklin Tpke., Mahwah, NJ	56	13.2	424
639	45W. Allendale Ave., Allendale, NJ	88	13.9	632
671	80 Godwin Ave., Midland Pk., NJ	56	14.7	381
667	419 Market St., Saddle Brook, NJ	40	12.1	335
600	Van Houten Ave., Passaic, NJ	48	14.5	335
682	Rt 10 & Center St., Randolph Twp., NJ	40	10.7	374
664	199 Kinderkamack Rd., Park Ridge, NJ	58	12.4	470
801	Washington Valley Rd., Warrenville, NJ	61	14.8	416
884	Rt. 28, Middlesex, NJ	65	17.4	373
922	Rt. 206 & Amwell Rd., Hillsborough, NJ	82	17.3	474
895	105 South Ave., Fanwood, NJ	60	17.8	338
897	230 Galloping Hill Rd., Union, NJ	63	14.0	453
656	Holmdel-Town Ctr., Holmdel, NJ	43	13.2	331
909	Washington Velley Rd., Pluckemin, NJ	56	16.7	337
663	396 Demarest Ave., Closter, NJ	39	11.8	333
754	Ratzer Rd. & Rt. 23, Wayne, NJ	48	14.5	331
751	375 Paterson Ave., Wallington, NJ	41	10.7	385
888	116 Rt. 36, Middletown, NJ	45	13.2	342
806	Rt. 513, Califon, NJ	66	16.1	411

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Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

A&P Metro
Weekly Volume / S.O.M

Store #	Address	RJR Avg. Wkly. Ctn. Vol.	RJR S.O.M.	Store Avg. Wkly. Vol.
631	Rt. 46, Village Green, Mt. Olive Twp., NJ	37	11.0	339
676	117 Franklin Tpke., Mahwah, NJ	56	13.2	424
639	45W. Allendale Ave., Allendale, NJ	88	13.9	632
671	80 Godwin Ave., Midland Pk., NJ	56	14.7	381
674	937 Lincoln Ave., Glen Rock, NJ	40	15.4	265
667	419 Market St., Saddle Brook, NJ	40	12.1	335
600	Van Houten Ave., Passaic, NJ	48	14.5	335
607	289 Bergen Ave., Fairview, NJ	46	15.2	303
682	Rt 10 & Center St., Randolph Twp., NJ	40	10.7	374
648	125 Main St., Denville, NJ	41	13.7	302
664	199 Kinderkamack Rd., Park Ridge, NJ	58	12.4	470
624 ✓	654 Westwood Ave., Rivervale, NJ	22	10.0	216
403 ✓	27 6th St., Frenchtown, NJ	39	17.8	220
657 ✓	22 Main St., Madison, NJ	29	12.8	228
801 ✓	Washington Valley Rd., Warrenville, NJ	61	14.8	416
884 ✓	Rt. 28, Middlesex, NJ	65	17.4	373
870 ✓	619 E. Main St., Bridgewater, NJ	48	15.7	307
922 ✓	Rt. 206 & Amwell Rd., Hillsborough, NJ	82	17.3	474
895 ✓	105 South Ave., Fanwood, NJ	60	17.8	338
827 ✓	1060 Raritan Rd., Clark, NJ	49	16.8	293
897 ✓	230 Galloping Hill Rd., Union, NJ	63	14.0	453
656 ✓	Holmdel-Town Ctr., Holmdel, NJ	43	13.2	331
828 ✓	2328 Plainfield Ave., So. Plainfield, NJ	36	17.7	205
909 ✓	Washington Velley Rd., Pluckemin, NJ	56	16.7	337
663	396 Demarest Ave., Closter, NJ	39	11.8	333
696	830 River Rd., New Milford, NJ	30	10.6	306

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Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

Direct Cigarette
Distributor Profitability

	Full Price		Low Cost
Industry Case Cost:	$11.19		$8.49
Standard Anticipation Allowance:		(3.25%)	
Electronic Funds Transfer Allowance:		(.5%)	
Net Discount Per Carton:	$ .41		$ .31
Net cost per Carton:	$10.78		$8.18
Net Case Cost:(60 ctns.)	$646.80		$490.80

Allowances are rounded, all actual invoice costs are calculated in fractions

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Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

	Full Price	Low Price
New Jersey State Tax Per Carton/Case:	$.40/pack	$4.00/carton - $240./cs
Carton Cost Plus State Tax:	$15.19	$12.49
New Jersey State Minimum Retail:	$17.02	$12.26
Profit Per Carton:	$1.83	- $ .23

Note: Profit projections are based on full price and low cost cartons dead net cost and New Jersey state minimum delivered retail price. Low cost retail carton selling pricing would be priced above state minimum.

- Overhead operating cost includes but not limited to the following; purchase of cigarette tax stamp machine(s), personnel to recieve, stamp cigarettes ,pack cigarette orders and shipment of cigarette orders to stores.

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Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

Mid Price Case Vol	139
Low Price Case Vol	251
Total (12M) Case Vol	2,355

RJR Incentive Programs Year 1993	Actual Payments	Potential Payments	Unearned Payments
Winners	8,454	13,410	4,956
Electronic Funds Transf Disc (0.5%)	0	7,691 *	7,691
Cash/Anticipation Discount	51,673	51,673	0
Incentive Program Payments	15,725	15,725	0
Forsyth Tobacco Product Payments	15,786	15,786	0
Brand Specifc Promotion Payments	1,134	1,134	0
New Brand Introduction Allowance	168	168	0
New Brand Distribution Incentive	288	288	0
Hand Stamping Allowance	360	360	0
Buy X Get X Free Handling Allowance	3,287	3,287	0
Distributor Assist Payments	220	220	0
Grand Total $	97,095	109,742	12,647

* Total Dollar Volume (Net) times 0.5% discount.

RJR Volume Percentages

Full Price Case Percentage of total volume.....	83 %
Mid-price Case Percentage of total volume.....	6 %
Low-price Case Percentage of total volume.....	11 %
Low-price + Mid-price Case percentage of total volume.....	17 %
Based on a Low + Mid Price Case volume of.....	390

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Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000

State	Full Price Cartons	Full Price Packs	Generic Cartons	Generic Packs	Low Cost Cartons	Low Cost Packs
New Jersey	$17.02	$1.71	$14.01	$1.41	$12.26	$1.23
New York	$18.67	$1.87	$15.67	$1.57	$13.89	$1.39
New York City	$19.56	$1.96	$16.55	$1.66	$14.80	$1.49
Pennsylvania	$15.51	$1.56	$12.59	$1.26	$10.84	$1.09
Connecticut	$18.29	$1.83	$15.18	$1.52	$13.43	$1.35
Massachusetts	$18.03	$1.81	$14.77	$1.48	$12.92	$1.30

Note: State minimum retail cigarette prices effective 11/18/93

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Source: https://www.industrydocuments.ucsf.edu/docs/jsky0000